

## Honolulu Star Bulletin -- August 20, 1983

And there were the polo players to pay, and the stud fees, and the \$5,000 donation to a fine arts center.

Some of those were just the highlights that Judy Asuda, the office clerk, could remember when they put her on the stand in federal court yesterday.

Rewald's attorneys are expected to argue, if they can ever get the right document into evidence, that Rewald himself had \$1.7 million invested in the firm, and that someone was supposed to be charging his account for all these expenditures. The attorneys had the document yesterday, but the judge said they hadn't proved that it proved that Rewald ever put anything in the company.

Neither Asuda nor anyone else, including company president Wong, could remember any investments BB ever actually MADE, except for Motor Cars Hawaii (the place where they kept the Jag, the Mercedes Benzes, the '57 T-Bird, the '69 Rolls that they used to bring the politicians out to matches at the polo club Rewald had bought at Mokuleia) and for Aspen Green Travel, which was just purchased, and maybe some oil investments in Korea.

Oh, and the "floating boat," just a couple of hulls with a grass shack on top, down in Tahiti, that Sunny remembered.

That was the reason, Sunny said, he finally quit — because he couldn't find out where the money went. Sunny said he tried to find out that first night he visited Ron in the hospital after Rewald reportedly slashed his wrists in response to reporter Barbara Tanabe's story about the firm on Channel 2 on July 29.

"I could not get any satisfactory answers from Mr. Rewald regarding the assets of the corporation," Sunny testified yesterday.

"When I saw him Sunday, the 31st of July, at the hospital I spent about five minutes with him and he asked me to contact the investors and to tell them that their funds would be available to them within 30 days."

But after half a day of telling investors that on Monday, Sunny "began to feel very uncomfortable" because "I didn't know if they WOULD be paid."

"The only thing that would satisfy me was to find out where the assets were, and I spent one hour on Tuesday with Ronald Rewald and I walked out an hour later with no more knowledge of the assets than when I walked in."

Wong was president of the company, after all, getting \$5,600 a month (plus another \$2,000 a month for managing Ron's sporting goods businesses in Hawaii Kai and Lahaina, and \$800 a month to his real estate firm for leasing BB its office space). He felt entitled to information about the money, especially with people trying to get their funds out.

Ron did "mumble something about tea farms in Indonesia, and assets in Brazil, but when I pressed him for specifics, that was the most I could get," Wong said.

The investors, at least some of them, couldn't get much more from Ron when THEY asked him for specifics about where the money was going. In fact, that was part of the way that

Ron got the money, two of them testified yesterday.

Rewald got the money by promising investors as much as a 50 percent return on their investment.

"Did you say FIFTY?" U.S. District Court Judge Martin Pence asked soft-spoken Lynn Vivieros, a Kailua housewife.

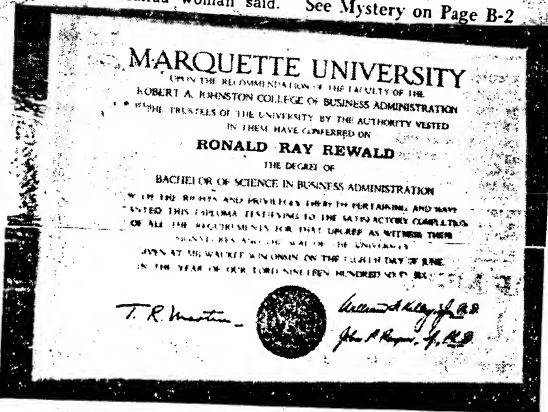
Yes, your honor, fifty percent.

It was in June 1982 that a friend, Jane Inuma, asked Vivieros if she would like to get involved in an investment, the Kailua woman said.

"They" were not mail drops, Avary insisted, but "executive suites" maintained by a reputable firm in a prestigious location. No BB employees actually worked there but there was a telephone, telex, mailing address, a sort of "beachhead" for the investments to come.

Last November, Avary went down to Brazil, to Rio and then on to Sao Paulo where there seemed to be more action, to look for "possibly productive projects" for BB money. Avary is an

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Marquette diploma on Rewald's office wall. University says he didn't go there.